

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7619

BILL NUMBER: HB 1756

NOTE PREPARED: Jan 12, 2003

BILL AMENDED:

SUBJECT: Funding for High Speed Rail.

FIRST AUTHOR: Rep. Klinker

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill specifies the sources of revenue for the High Speed Rail Development Fund. It specifies the purposes for which money in the fund may be used. The bill annually appropriates to the fund from the state General Fund 0.04% of the total amount of State Gross Retail and Use Taxes collected during the immediately preceding state fiscal year, if the total amount collected is \$4,930.0 M or greater.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The bill creates a mechanism to appropriate funds to the High Speed Rail Development Fund if the total revenue received from the state's Sales Tax is greater than \$4,930.0 M. If in the previous fiscal year, state Sales Tax revenues are greater than \$4,930.0 M, a General Fund appropriation will be made to the High Speed Rail Development Fund in an amount equal to 0.04% of the total Sales Tax revenue collected. According to the December 18, 2002, *State Revenue Forecast*, the state is forecasted to receive the following Sales Tax:

Total Sales Tax	
Fiscal Year	Revenue
FY 2003	\$ 4,338.1 M
FY 2004	\$ 4,928.6 M
FY 2005	\$ 5,169.5 M

Based on this forecast, the High Speed Rail Development Fund would receive a General Fund appropriation of approximately **\$2.1 M** in FY 2006. The size of future appropriations will depend on the growth in state's Sales Tax revenue. The Fund is not expected to receive an appropriation through this mechanism in FY 2004

or FY 2005, based on the December 2002 Revenue Forecast. However, if the FY 2004 Sales Tax revenue comes in higher than forecast to trigger a General Fund appropriation, the High Speed Rail Development Fund could receive approximately \$2.0 M as early as FY 2005.

The High Speed Rail Development Fund is used for design, planning, and improvement costs associated with the development of a high speed passenger rail system in Indiana.

Revenue from the state's 6% Sales Tax revenue is deposited in the Property Tax Replacement Fund (50%), the state General Fund (49.192%), the Public Mass Transportation Fund (0.635%), the Commuter Rail Service Fund (0.14%), and the Industrial Rail Service Loan Fund (0.033%). This provision will not impact the distribution of Sales Tax revenue to these funds.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Transportation as administrator of the High Speed Rail Development Fund.

Local Agencies Affected:

Information Sources: *December 18, 2002 State Revenue Forecast.*

Fiscal Analyst: James Sperlik, 317-232-9866; John Parkey, 317-232-9854.